

AMENDMENTS TO THE SPECIFICATION

Please replace the paragraph at page 7, lines 10-12 with the following rewritten paragraph:

FIGS. 17, 18, 19, 20, 21, 22a, 22b, 22c, 22d, 23a, 23b, 24a, 24b, 24c, 25a, and 25b are illustrative of trading quadrants or "QUADS" used in accordance with one embodiment of the present invention.

Please replace the paragraph at page 9, lines 6-20 with the following rewritten paragraph:

An illustration of one embodiment of control logic 300 that may be implemented on server 206 to control the auctioning process is shown in FIG. 3. As can be seen, FIG. 3 shows a series of thirteen states 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, and 328. Also shown is a start state 302 and a command state 330 which simply accepts participant commands and then triggers the appropriate one of the other thirteen states. Each of the thirteen states is discussed further below in connection with FIGS. 4-16. Although a particular set of states with particular transitions between the states is illustrated, the present invention may be implemented with additional, fewer, or alternative states and with additional, fewer, or alternative transitions between states.

Please replace the paragraph at page 12, lines 18-30 with the following rewritten paragraph:

In the Bid/Offer State, participants are referred to as "makers" and "contra-makers." During other states, participants are referred to as "traders" and "contra-traders." Under this notation, traders and makers are those participants that issue a trading command, while contra-makers and contra-traders are those participants who receive ~~respond to~~ a trading command. Some participants, e.g., first qualified priority buyer and/or first qualified priority seller, in the Qualified Workup State are known as "current workers" and are vested with the authority under system logic to control a trade for a predetermined duration of time.

Please replace the paragraph at page 16, lines 10-27 with the following rewritten paragraph:

The qualifying of any participant, or group of participants, may be performed only once when the participant first enters market 102 or dynamically as trading progresses (as shown by step 420, for example). Similarly, limits that are used to determine a participant's, or a group of participants, ranking may be set dynamically. In the ranking process, a metric or a set of metrics may be used to monitor a participant's or a group of participants' activity. More particularly, this metric may take into account factors such as the number of trades made by the participant(s), the amount of trades made by the participant(s), the volatility of the market, the price range of the market, the volume of the market, etc. By combining together these factors in the metric, for example, the present invention provides participants with controls that enable them to mitigate market counter party risk and enhance the integrity of the market.

Please replace the paragraph at page 34, lines 7-13 with the following rewritten paragraph:

A new participant CUST 3004 now offers \$50 million ~~2264~~ 2246. New participant CUST 3004 ~~2246~~ must wait until the current qualified workers are done, and thus participant CUST 3004 is put in the When State. During this time, participant CUST 3005 is still in the Qualified Workup State and sells \$10 million to participant CUST 3003.

Please replace the paragraph at page 37, lines 13-22 with the following rewritten paragraph:

If Participant, CUST 3007 decides to hit the outstanding \$10 million 2352 of participant CUST 3004, as shown in QUAD 2350 of FIG. 23b (~~see "10" under "BOT" in CUST 3004 row~~), the state moves out of Price Retention State and into the Qualified Workup State with participant CUST 3007 and participant CUST 3004 designated as the current workers. Participant CUST 3007 and participant CUST 3004 are highlighted in QUAD 2300 and QUAD 2350 to indicate that they are in the Qualified Workup State.

Please replace the paragraph at page 43, lines 12-29 with the following rewritten paragraph:

One embodiment of a process 1000 for the Price Improvement State of the present invention is shown in FIG. 10. As illustrated, once process 1000 has begun at step 1002, the process proceeds to step 1004 where trade entries are received, ranked, and matched during the Workup State exclusive time as described above. Next, at step 1006, process 1000 gets the information for the highest-ranked trade to begin processing the trades. At step 1008, it is then determined if this trade is a When State hit/take. If the trade is determined to be a When State hit/take at step 1008, process 1000 then determines at step 1010 if a maker has matched the trade. If a maker has matched the trade, then the trade is ignored at step 1012. Next, process 1000 determines if any trades are left at step 1014, and if there are, the next trade information is retrieved at step 1016 and process 1000 loops back to step 1008. Otherwise, if no trades are left, process 1000 terminates at step 1018.